

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CO NO.

INTELLOFAX 25

COUNTRY China

DATE DISTR 12 APR 81

SUBJECT Commercial Activities in Kwangtung

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SUPPLEMENT TO  
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1. Large quantities of cement, metal, and lumber are being transported from Huiyang (114-26, 23-05) to Swatow, Haifeng (115-20, 22-58) and Lufeng (115-38, 22-58) for construction of coastal defenses. 25X1
2. The highway between Tanshui (114-28, 22-47) and Aot'ou (113-15, 24-44) is a part of the trade route to and from Hong Kong. Rice and opium are the principal commodities going out of China and gasoline and other materials are coming in from Hong Kong. Some soldiers are engaged in smuggling in this trade.
3. Canton authorities are requiring all merchants to deposit their daily earnings in cash with the People's Bank, and are levying a 20 percent tax on all profits. If a merchant wishes to disburse money, he must first secure approval from the Bank. The manager of any firm may withdraw only JPY 400,000 per month as salary.
4. Village authorities in Kwangtung are requiring all persons to register their livestock, cash, gold bars, and foreign currencies. Then when asked for funds to buy ammunition for troops in Korea, these persons cannot say they have no money. The price of a cartridge in JPY 2,000 and of a hand grenade, JPY 20,000.

25 YEAR RE-REVIEW

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